



Virginia  
Regulatory  
Town Hall

## Periodic Review and Retention of Existing Regulations Agency Background Document

<b>Agency Name:</b>	Agriculture and Consumer Services
<b>VAC Chapter Number:</b>	2 VAC 5-250
<b>Regulation Title:</b>	Rules and Regulations Relating to Grain Dealers Licensing and Bonding
<b>Action Title:</b>	Retain
<b>Date:</b>	December 6, 2000

This information is required pursuant to the Administrative Process Act § 9-6.14:25, Executive Order Twenty-Five (98), and Executive Order Fifty-Eight (99) which outline procedures for periodic review of regulations of agencies within the executive branch. Each existing regulation is to be reviewed at least once every three years and measured against the specific public health, safety, and welfare goals assigned by agencies during the promulgation process.

This form should be used where the agency is planning to retain an existing regulation.

### Summary

*Please provide a brief summary of the regulation. There is no need to state each provision; instead give a general description of the regulation and alert the reader to its subject matter and intent.*

This regulation specifies the information about transactions in grain that grain dealers must record, for review by the Department of Agriculture and Consumer Services to ensure that Virginia farmers are promptly and properly paid for their grain and to serve for an accounting of amounts owed in the event of nonpayment by the grain dealer.

### Basis

*Please identify the state and/or federal source of legal authority for the regulation. The discussion of this authority should include a description of its scope and the extent to which the authority is mandatory or discretionary. Where applicable, explain where the regulation exceeds the minimum requirements of the state and/or federal mandate.*

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The authority for this regulation is contained in § 3.1-722.27 of the Code of Virginia (1950) as amended. This section authorizes the Board of Agriculture and Consumer Services to adopt such rules and regulations as may be necessary to carry out the administration enforcement of Chapter 26, Article 4 of Title 3.1 of the Code of Virginia, commonly referred to as Grain Dealers Licensing and Bonding Law. There are no state or federal mandates for this regulation.

### Public Comment

*Please summarize all public comment received as the result of the Notice of Periodic Review published in the Virginia Register and provide the agency response. Where applicable, describe critical issues or particular areas of concern in the regulation. Also please indicate if an informal advisory group was formed for purposes of assisting in the periodic review.*

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The Department published its notice in The Virginia Register of Regulations on September 11, 2000, advertising the opportunity to comment on this regulation pursuant to Executive Order Twenty-five (98). An informal advisory group was not formed for the purpose of assisting in this periodic review.

The Department received no public comment on this regulation review during the comment period.

### Effectiveness

*Please provide a description of the specific and measurable goals of the regulation. Detail the effectiveness of the regulation in achieving such goals and the specific reasons the agency has determined that the regulation is essential to protect the health, safety or welfare of citizens. Please assess the regulation's impact on the institution of the family and family stability. In addition, please indicate whether the regulation is clearly written and easily understandable by the individuals and entities affected.*

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The specific and measurable goals of the regulations are:

1. The protection of the public's health, safety, and welfare with the least possible cost and intrusiveness to the citizens and businesses of the Commonwealth.
2. To have a basis for determining whether the grain dealer has "promptly and properly paid" for grain that he has purchased from the farmer.
3. To require, in the case of default by the grain dealer, that records of grain transactions be kept that will serve as the basis for ensuring that disbursements of the proceeds of the bond or letter of credit (used to ensure payment to the farmer for his grain and required by law) are properly made. (For specifics about the bond and letter of credit, see §§ 3.1-722.19 through 3.1-722.20:1 of the Code.)

This regulation is effective in achieving its goals. The regulation is essential to protect the welfare of citizens because grain is important to Virginia's economy. Each year over a million acres are devoted to growing grain in Virginia. This regulation deals with farmers and the selling of their grain to grain dealers. This regulation is the means by which an accounting may be made for grains that grain dealers purchase from Virginia farmers. In many instances, the purchases are for large amounts of money (one farmer may sell in one season more than \$100,000 worth of grain to a dealer), and so this regulation implements a law that helps to protect farmers from the loss of a major asset.

This regulation is clearly written and easily understood. It has no impact upon the institution of the family and family stability.

## Alternatives

*Please describe the specific alternatives for achieving the purpose of the existing regulation that have been considered as a part of the periodic review process. This description should include an explanation of why such alternatives were rejected and this regulation reflects the least burdensome alternative available for achieving the purpose of the regulation.*

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The alternative considered would be to have no regulation at all. Then there would be no third party assuring farmers of prompt payment for their grain, or in case of default by the grain

dealer, there would be no recourse for farmers to get paid. This regulation reflects the least burdensome alternative available for achieving the purpose of the regulation.

### Recommendation

*Please state that the agency is recommending that the regulation should stay in effect without change.*

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The agency is recommending that the regulation remain in effect without change.

### Family Impact Statement

*Please provide an analysis of the regulation's impact on the institution of the family and family stability including the extent to which it: 1) strengthens or erodes the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourages or discourages economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthens or erodes the marital commitment; and 4) increases or decreases disposable family income.*

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This regulation has no impact upon families.